

## For High Protein (A241QT) Soybeans (KAAPA)

**Optimum Quality Grains, L.L.C.  
Agreement to Grow Optimum® Soybeans and  
Limited License for Patents and Trade Secrets**

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ between \_\_\_\_\_  
(hereinafter "GROWER") and Optimum Quality Grains, L.L.C. (hereinafter "OPTIMUM").  
GROWER and OPTIMUM are experienced and knowledgeable in the business practices involved in the cultivation of soybeans and  
business transactions involving soybeans.

GROWER agrees to grow \_\_\_\_\_ acres of A241QT ("High Protein") soybeans.

The High Protein soybeans are referred to as the ("OPTIMUM SOYBEANS"). GROWER under this Agreement is granted a limited  
license to use the OPTIMUM SOYBEANS to produce an identity preserved grain (the "OPTIMUM GRAIN").

**PRICE:**

The base price shall be the CBOT price when the market is open and trading for the month of delivery using the following schedule:

|                 |          |         |          |       |       |     |
|-----------------|----------|---------|----------|-------|-------|-----|
| Delivery Month: | December | January | February | March | April | May |
| Option Month:   | January  | March   | March    | May   | May   | May |

The GROWER may price any quantity on any day the Chicago Board of Trade is open and trading the selected delivery month  
during the period from June 1st 1998 through June 1st 1999. All OPTIMUM GRAIN must be priced by June 1<sup>st</sup>, 1999. Any grain  
not priced by June 1<sup>st</sup> 1999 will be priced on the CBOT close on June 1<sup>st</sup> 1999.

The Premium shall be \$1.00 per bushel of OPTIMUM GRAIN from High Protein OPTIMUM SOYBEANS.

GROWER agrees to use North Country Seed (hereinafter "ELEVATOR") to establish the base price. ELEVATOR will pay  
GROWER base price plus premium after delivery is completed. If GROWER elects to defer pricing beyond the date when the  
OPTIMUM GRAIN is delivered, then GROWER agrees to sign a Price Later Agreement (Credit Sale Agreement) with  
ELEVATOR.

KAAPA will assess its producers \$0.03 per bu. for administering this program.

North Country Seed Inc. will assess GROWER a \$2.00 per contracted acre fee which will cover the cost of field inspections and bin  
monitoring. The fee will be calculated by taking the number of contracted acres times two dollars. The fee will be subtracted from  
the proceeds of the first sale.

**DELIVERY:**

Delivery occurs when the OPTIMUM A241QT GRAIN is picked up on the farm, with the first \$0.14 of freight paid by the  
GROWER and the rest of the freight paid by OPTIMUM.

The delivery period shall be December 1998 through May 1999. Delivery shall be at the request of the buyer (buyer's call). The  
ELEVATOR shall provide a one week preadvice of the requested delivery.

In the event that OPTIMUM requires an extension in the delivery period past May 31, 1999, the GROWER will be compensated on  
all priced bushels at a rate of one-tenth of a cent per bushel per day from May 31, 1999 until the OPTIMUM GRAIN is called by  
OPTIMUM.

**QUALITY SPECIFICATIONS:**

The OPTIMUM GRAIN shall meet the following physical quality specifications or be subject to ELEVATOR discounts:

|                          |  |
|--------------------------|--|
| Moisture                 | _____13.0%   |
| Maximum Splits           | _____10.0%   |
| Maximum Total damaged    | _____0.5% greater than 0.05% subject to no premium |
| Maximum Heat damaged     | _____0.0% greater than 0.0% subject to no premium  |
| Maximum Foreign material | _____1.0%  |

Maximum Soybeans of other types— 2.0% greater than 2.0% subject to no premium

Destination weights and grades shall govern with the exception that GROWER has the right to appeal any grading by submitting a sample to the Federal Grain Inspection Service (FGIS), at GROWER's expense, for an official grade.

OPTIMUM GRAIN must be of food grade quality. Food grade quality soybeans must be free of other types of grain, dirt and stain and not contain excess broken or damaged soybeans. Dirt on the seed coat makes the soybeans unusable for food grade products. The condition of food grade soybeans must be such that, if cleaned with normal seed cleaning equipment, the final product will have a high quality appearance.

If the OPTIMUM GRAIN is contaminated or does not meet the physical or food grade quality specifications above, ELEVATOR will take receipt of the OPTIMUM GRAIN and the GROWER will receive CBOT price less market scale of discounts but no premium for the contaminated or out of specification OPTIMUM GRAIN.

#### GENERAL TERMS:

GROWER will obtain seed from a sales representative of Pioneer Hi-Bred International, Inc. or Cencx/Land O'Lakes. GROWER shall return to seed supplier any OPTIMUM SOYBEANS not used in planting for production of OPTIMUM GRAIN. All returned OPTIMUM SOYBEANS must be in good and merchantable condition. In the event there is a shortage of seed then OPTIMUM, in its sole discretion, may void this Agreement. If replanting is necessary, GROWER agrees to replant with the same variety, A241QT.

GROWER will preserve the identity of the OPTIMUM SOYBEANS from planting through delivery of the OPTIMUM GRAIN. GROWER agrees to use reasonable effort to prevent access of third parties to OPTIMUM SOYBEANS.

GROWER grants OPTIMUM and its designees free and easy access to the fields and grain storage facilities used in the production of the OPTIMUM GRAIN to inspect, evaluate and monitor the progress and condition of the crop and grain. GROWER agrees to provide a representative sample of its OPTIMUM GRAIN upon request. OPTIMUM will provide bags and sample shipping instructions to the GROWER. OPTIMUM or its representatives shall have the right to sample bins of OPTIMUM GRAIN prior to delivery.

In addition DUPONT is offering GROWER profit incentives that could include additional premiums for utilizing DUPONT crop protection chemicals. Please contact your local DUPONT representative for more details or call toll free 1-888-6-DUPONT for additional information on these incentives.

For production on land owned by a party other than the grower and with a crop share arrangement, the landlord's name and address shall be indicated below.

#### LIMITED LICENSE FOR PATENTS AND TRADE SECRETS:

The High Protein OPTIMUM SOYBEANS obtained by GROWER under this Agreement contain valuable trade secrets pertaining to High Protein quality traits that are proprietary to OPTIMUM (the "Protein Trade Secrets"). In addition, certain patents are pending with respect to High Protein OPTIMUM SOYBEANS (the "Pending Protein Patents").

OPTIMUM hereby grants a license to GROWER, subject to the Restrictions (as defined below), to use the Protein Trade Secrets and any Pending Protein Patents that issue prior to the expiration of this license to the extent necessary to grow the High Protein OPTIMUM SOYBEANS as provided in this Agreement. This license shall automatically terminate upon the earlier of delivery of the OPTIMUM GRAIN and August 31, 1999.

The license granted hereunder is subject to the following restrictions (the "Restrictions"):

1. GROWER may not use any OPTIMUM SOYBEAN or material directly or indirectly derived therefrom for breeding, research, seed production, reverse engineering or analysis of the genetic makeup thereof;
2. GROWER may not sell, transfer, give or supply, directly or indirectly, any OPTIMUM GRAIN or material directly or indirectly derived therefrom unless GROWER gives notice to the recipient of the terms and conditions of this Agreement and recipient agrees to be bound by such terms and conditions;
3. GROWER may not sell, transfer, give or supply, directly or indirectly, any OPTIMUM SOYBEAN, any of its seed components, or any material directly or indirectly derived therefrom (other than the OPTIMUM GRAIN) to any party for any purpose; and/or

4. GROWER may not use the OPTIMUM SOYBEANS, the OPTIMUM GRAIN or any material directly or indirectly derived therefrom for any purpose other than to grow and deliver the OPTIMUM GRAIN as expressly provided in this Agreement including, but not limited to, export outside the United States except by sale to OPTIMUM or OPTIMUM's designee.  
**INDEPENDENT CONTRACTOR:**

GROWER is, for purposes of this Agreement, an independent contractor and nothing contained in this Agreement shall make GROWER an employee or agent of OPTIMUM or authorize him/her to act on behalf of OPTIMUM. GROWER shall indemnify and hold OPTIMUM harmless from all claims in any way connected directly or indirectly with GROWER'S operations pursuant to this Agreement.

**DISCLAIMER OF WARRANTY AND LIMITATION OF DAMAGES:**

OPTIMUM MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER EXPRESS OR IMPLIED WARRANTY. NO CLAIM OF ANY KIND, WHETHER OR NOT BASED ON NEGLIGENCE, SHALL BE GREATER IN AMOUNT THAN THE VALUE OF COMMERCIAL SEED IN A QUANTITY COMPARABLE TO THAT QUANTITY OF SEED SUBJECT TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, CONSEQUENTIAL, OR INDIRECT DAMAGES WHETHER OR NOT CAUSED BY OR RESULTING FROM THE NEGLIGENCE OF SUCH PARTY.

**MISCELLANEOUS:**

This Agreement constitutes the complete and exclusive statement of the understanding between the parties and supersedes all prior and collateral representations, including the bailment contract between the parties with respect to the OPTIMUM SOYBEANS. Any alteration, modification, or amendment of the Agreement shall not be valid and binding unless in writing and signed by both parties. This Agreement shall bind parties hereto, their heirs, administrators, executors, successors, and assigns. If any term of this Agreement is held unenforceable or in conflict with any law of an applicable jurisdiction, it is the intention of the parties that the validity of the remaining terms not be affected by such holding and the remaining terms be construed and enforced to the fullest extent permissible under law. This Agreement shall be governed by Iowa law, without regard to conflict of law principles. OPTIMUM and GROWER agree that all disputes and differences arising between OPTIMUM and GROWER out of or relating in any way to this Agreement, the construction, meaning and operation, or effect of the Agreement, or breach thereof, shall be settled by arbitration in accordance with the rules and regulations of the National Grain and Feed Association pursuant to such Association's grain arbitration rules. OPTIMUM and GROWER agree that judgment may be entered upon any arbitration award in any court of competent jurisdiction. Neither OPTIMUM nor the GROWER may assign this Agreement without prior written consent of the other party. Written notice to OPTIMUM shall be personal delivery or by postage paid letter addressed to Optimum Quality Grains, L.L.C., Attn: Bill Nicholson, 4445 Corporate Drive, Suite 120, West Des Moines, IA 50266

GROWER

OPTIMUM QUALITY GRAINS, L.L.C.

By: \_\_\_\_\_  
Grower Signature

By: \_\_\_\_\_

Grower Name: \_\_\_\_\_

Street or Box: \_\_\_\_\_

\_\_\_\_\_  
City, State, Zip Code, Phone

LANDOWNER(S) Information (crop share only):

\_\_\_\_\_  
LANDOWNER

\_\_\_\_\_  
ADDRESS/TOWN

Landowner % share \_\_\_\_\_

\*OPTIMUM® is a registered trademark of Optimum Quality Grains, L.L.C.